

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF WILLIAM SHELDON     ) APPEAL NO. 06-A-2517  
from the decision of the Board of Equalization of Kootenai     ) FINAL DECISION  
County for tax year 2006.     ) AND ORDER

**COMMERCIAL PROPERTY APPEAL**

THIS MATTER came on for hearing January 17, 2007, in Coeur d'Alene, Idaho, before Board Member David E. Kinghorn. Board Member Lyle R. Cobbs participated in this decision. Appellant William Sheldon appeared for himself. Deputy Assessor and Commercial Appraiser Louise Weed appeared for Respondent Kootenai County. This appeal is taken from a decision of the Kootenai County Board of Equalization (BOE) denying the protest of the valuation for taxing purposes of property described as Parcel No. C00000037130.

**The issue on appeal is the market value of commercial property.**

**The decision of the Kootenai County Board of Equalization is affirmed.**

FINDINGS OF FACT

The assessed land value is \$209,222, and the improvements' valuation is \$385,511, totaling \$594,733. Appellant requests the land value be reduced to \$160,940, and the improvements' value be reduced to \$296,547, totaling \$457,487 (the 2005 assessed value.)

The subject property is 1.241 acres improved with a commercial retail structure. County records show the improvement with 11,460 square feet. It was built in 1973 with later addition(s.) The one-story building has three rental spaces. The property also leases space for a large billboard. Subject is located in Coeur d'Alene, Idaho, with Seltice Way to the front and Interstate 90 to the rear.

Appellant stated the Assessor had done a good job on the assessment for the most part. It was testified there was an error in the Assessor's square footage calculation for the improvement. Some associated details were provided in exhibit pages, but the point was only briefly addressed. The possible difference in area may approximate 600 square feet. Additional information was shared on subject's lease income and use.

Appellant provided the main objection with the assessment regarded information shared during the BOE proceedings. What was referenced in exhibit materials, was a page from a 1995 Board of Tax Appeals decision. The following was highlighted "Merris v. Ada County . . . assessor's valuation of the property is presumed to be correct, and the taxpayer must show by clear and convincing evidence that he is entitled to the relief he seeks."<sup>1</sup> It was argued the burden is actually on the Assessor's Office to prove all its information used in arriving at assessed values.

Respondent reported the three approaches to value were considered in the last reappraisal of subject for 2002. County exhibit material included photographs of subject and recent comparable sales, as well as location maps and copies of legal standards. It was noted the County received information on a record number of commercial sales in recent years. Ratio studies indicated appreciating values and the Assessor reported indexing prior year assessed values to maintain market value. Details on the sales information and associated indexing were provided.

On appeal, the Assessor provided recent calculations and supporting data for each value approach as follows. The sales comparison approach presented information on four 2005 sales indicating time-adjusted prices per square foot of: \$74.18, \$96.93, \$70.42 and \$70.69.

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<sup>1</sup>The following portion of the legal cite was not highlighted: 100 Idaho 59, 64, [593] P2d 394, 399 (1979).

Cost	\$763,346
Income	\$848,244
Sales Comparison	\$807,013 - \$1,110,817
'06 assessed value	\$594,733

### CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

On Appellant's main concern regarding legal burdens, the Board would note an assessment must not be arbitrary. See the Merris cite previously provided. The law provides in multiple places that an assessment must be arrived at through recognized appraisal methods and techniques. The touchstone in the appraisal and assessment of property is a determination of market value. Merris. On appeal, the Assessor processed each of the three approaches to value indicating subject's assessment arrived at through indexing of prior year values may be low. Indexing or reappraisal are the required means of assessing property at market value each year. Idaho Code § 63-314.

On appeal from the County Board of Equalization, a constitutional presumption of correctness attaches to the decision of the local tribunal. To prove its claim on appeal, an Appellant must provide a preponderance of the evidence. Idaho Code § 63-511(4). A 'preponderance of evidence' is evidence that, when weighed with that opposed to it, has more convincing force and from which results a greater probability of truth. Harris v. Electrical Wholesale, 141 Idaho 1, 3; 105 P.3d 267, 269 (2004).

The County has presented a supported value position. Appellant did not support subject's

2005 assessed value (the relief claim) as appropriate for subject's 2006 assessment. Idaho Code § 63-205(1). On the alleged error in square footage, we hold Appellant has not demonstrated by a preponderance of evidence that another size is correct.

The 2006 assessed value of subject property was reasonably supported. The prices per square foot of all four comparable sales in record were higher than subject's current assessed value. The information and comparability of these sales was not disputed. There was no appraisal, nor sales information, in record to support Appellant's value claim. The decision of the Kootenai County Board of Equalization will be affirmed.

#### FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Kootenai County Board of Equalization concerning the subject parcel be, and the same hereby is, affirmed.

DATED this 1st day of May 2007.